

1395

**SENATE OF THE FEDERAL
REPUBLIC OF NIGERIA**

Wednesday, 13th January, 2016

The Senate met at 11.13 a.m.

PRAYERS

(The President in the Chair)

VOTES AND PROCEEDINGS

The President: Distinguished Senators, we have before us the Votes and Proceedings of Tuesday, 12th January, 2016, for approval. We will start consideration from page 431 to 438.

Senator Melaye Dino (Kogi West): Mr. President, I move that the Votes and Proceedings of 12th January, 2016 be approved.

Senator Emmanuel Bwacha (Taraba South): Mr. President, I second the Motion that the Votes and Proceedings of 12th January, 2016 be approved.

Question put and agreed to.

Resolved: That the Votes and Proceedings of Tuesday, 12th January, 2016 be approved.

The President: Distinguished Colleagues, listen to the following announcements.

ANNOUNCEMENTS

Letter of Appreciation

His Excellency,
The Senate President,
National Assembly Complex
Abuja.

This is to convey my appreciation and gratitude to all distinguished Senators, who attended, prayed or sent goodwill messages during the wedding of our daughter, Hauwa Barau Jibrin and Ahmed Halliru Shettiman Katagum on 25th December, 2015.

I particularly thank the Senate President, His Excellency, Dr. Abubakar Bukola Saraki.

1396

May the Almighty Allah reward all of you abundantly.

Yours faithfully,

(Signed)

SENATOR BARAU I JIBRIN

2016 Appropriation Bill

Distinguished Senators, the Debates on 2016 Appropriation Bill will commence on Tuesday, 19th, 20th and 21st January, 2016, Senators should therefore indicate when they intend to make their contributions on the Speaker's list by the entrance into the Chambers. Copies of the 2016 Budget will be distributed tomorrow.

Thank you.

Inauguration of the Constitutional Review Committee

Members of the Senate Committee on the Review of the 1999 Constitution and Distinguished Senators are hereby invited to the inauguration of the Committee by His Excellency Senator Bukola Saraki, the President of the Senate, scheduled as follows:

Date: Wednesday, 13th January, 2016

Time: 2.00 p.m.

Venue: Senate Conference Room 022, Senate Building

(Signed)

Senator Ike Ekweremadu

Deputy Senate President/Chairman

Birthday Wishes

I wish to congratulate Senator Ahmad Lawan Ibrahim on his birthday on 3rd January, 2016. The Senate wish you many more years of good health and prosperity.

Also, I wish Senator Raji-Rasaki Fatimat Olufunke which birthday falls on the 13th January, 2016. The Senate wish you happy more years of good health and happiness.

1397

PRESENTATION OF PUBLIC PETITIONS

Bayelsa State House of Assembly

Senator Foster Ogola (Bayelsa West): Mr. President, Point of Order!

The President: Senator Ogola, What is your Point of Order?

Senator Foster Ogola: Mr. President, I am coming under Order 41, with your kind permission, can I read?

The President: Please, read.

Senator Foster Ogola: Mr. President, Order 41 reads:

- (1) *A petition may only be presented to the Senate by a Senator, who shall affix his name at the beginning thereof.*
- (2) *A Senator presenting a petition shall confine himself to a brief statement of the parties from whom it came, the number of signatures attached to it and the material allegations contained in it and to reading the prayers of such petitions.*
- (3) *All petitions shall be ordered without question being put to lie upon the Table; such petitions shall stand referred to the Public Petitions Committee.*

The President: Is it a petition?

Senator Foster Ogola: Yes.

The President: From where is the petition?

Senator Foster Ogola: This Petition is from the Bayelsa State House of Assembly on the marginalisation of Bayelsa State in the recruitment and posting of officers and men by the Federal Road Safety Commission. This Senate is urged to look into the matter.

The President: Tell us what the petition is all about.

Senator Foster Ogola: There is no judicial remedy sought anywhere.

The President: All right, come and lay the petition.

(Petition laid on the Table.)

Senator Mallam Ali Wakili (Bauchi South): Mr. President, Point of Order.

1398

The President: What is your Point of Order Senator Wakili?

Unlawful Suspension and Termination of Appointment

Senator Mallam Ali Wakili: I want to take the leverage of your permission to present a petition by one of my Constituents called Maigari Ibrahim Luka against an unlawful suspension and termination by the National Population Commission. He is seeking your indulgence to look into the case and there is no court encumbrance on it.

(Petition laid on the Table.)

(Petitions accordingly referred to the Senate Committee on Ethics, Privileges and Public Petitions to report back in two weeks.)

The President: Senator Samuel Anyanwu, I was just looking at the statistics; in four years, we had seventy-four petitions and it is in recognition that the public believes that this is an avenue by which justices are addressed.

I would like to appeal to your Members, knowing that the responsibilities is huge but you must respond to the demand and the confidence of the people reposed in you and speed up the work in getting these reports ready.

For my distinguished Colleagues as well, when these Reports are out, please let us also try and ensure that we consider them so that we continue to reciprocate the confidence that Nigerians have in this Chamber.

Senator Mohammed Ali Ndume (Borno South): Mr. President, just before we take the Order of the Day, I still want to draw your attention to the fact that every day on our Order Paper, we have Item 5 which is Petition. This item covers all the petitions any Senator has to present and if we utilise it effectively, we will be more orderly than shouting Order! Order!! I hope that is noted.

ORDER OF THE DAY

MOTION

Urgent Need to empanel the National Council on Public Procurement of Nigeria

The first Order of the Day is a Motion standing in the name of distinguished Senator Theodore A. Orji and my humble self on the urgent need to empanel the National Council on Public Procurement of Nigeria.

You may wish to invite distinguished Senator Theodore Orji to move for the Motion.

1399

1400

Senator Theodore Orji (Abia Central): Mr. President, my Motion is on the urgent need to empanel the National Council on Public Procurement of Nigeria and this Motion is co-sponsored by the Senate Leader.

The Senate:

Notes that the Public Procurement Act came into force in 2007;

Further notes that the good intention of the legislature in Nigeria in passing the said Act into Law was to establish a Regulatory Authority for the monitoring and oversight of Public Procurement;

Harmonising the existing government policies and practices by regulating setting standards and developing the legal framework and professional capacity for Public Procurement in Nigeria;

Observes that Sections 1 and 2 of the said Act are the soul in that it is the National Council on Procurement that gives life to the Act and gives meaning to the good intention of the legislature in passing the Act into law;

Notes that by Section 15(1) of the Act, all procurement of goods, works and services carried out by the Federal Government of Nigeria, shall be governed by the provisions of the procurement Act;

Notes that by Section 2 of the Act, some of the very important functions of the Council include provision of thresholds for the application of the provisions of the Act, consider and approve policies on public procurement, approve charges in the procurement process to adapt to improvements in modern technology;

Further notes that whereas the Council supervises the Bureau and approves Directors for the Bureau, the Bureau has, as one of her objectives, in Section 4(d) of the Act, the attainment of transparency, competitiveness and professionalism in the Public Sector Procurement system;

Worried that since the passage of the Act in 2007 the National Council on Procurement has not been established;

Further notes that without the establishment of the National Council on Procurement, the Procurement Act is as good as a dead letter no matter the rhetoric;

Observes that Cabinet Ministers are now in place, while the Minister of Finance is the Chairman of the Council, the Attorney-General and Minister of Justice is also a member of the Council, there is every need to empanel the National Council on Public Procurement to avoid erosion of public confidence in the procurement process;

The Senate Accordingly Resolves to:

Urge the Federal Executive Council to, as a matter of urgency, officially set up the National Council on Public Procurement to give life and meaning to the Public Procurement Act so as to achieve the laudable objectives for which the Act came into being by the National Assembly.

I so move.

Senator Bala Ibn Na'allah (Kebbi South): Mr. President, in order to understand and appreciate why this problem exists, it is important for us to know the history of the Act itself and what generated this particular provision.

I was privileged to be a member of the Justices Committee of the House of Representatives at that time when this Bill was considered. The draft suggested that the Vice President should be the Chairman of the Council and in our thinking; we felt it was not right. We believe that Ministers having been appointed by the Government, the Government is under an obligation to have confidence in the Minister therefore, we substituted the Vice President for the Minister of Finance.

Politically, you know at that time there were some problems about the running of the PTDF Fund by the then Vice President Atiku Abubakar. So, somewhere along the line when we came for the consideration of the report, there were a lot of pressure on us to replace the Minister of Finance with the Vice President and we felt that they are the Executive who supervise what is going on in the country. If they are made members of the Council whose functions is to supervise the Bureau and the Directors, it will not look tidy for the smooth running of the Bureau, I think that was why they have not found it expedient to really empanel as used by Distinguished Senator Orji. But to us, it is to say that let it be properly re-constituted based on the provision of the law. We would have no difficulty in agreeing with the fact that as it stands today, the Bureau has become a one man show and that was not the necessary intendment of the Parliament as at the time of enacting that law.

Therefore, the necessary intendment is to give effect to the establishment of a full Council that has been vested with the responsibility of supervising the Bureau and the Directors of the Bureau. I really want to commend my brother, Distinguished Senator Theodore Orji but to us, let it be properly reconstituted based on the Provision of the law and I think we will not be bringing this Motion at this 8th Senate when it is fully positioned and determined to ensure that most of these issues are properly addressed. I am therefore urging my colleagues to support this Motion so that Federal government can, as a matter of urgency, reconstitutes the National Council on Public Procurement.

1401

1402

I will now formally second the Motion as ably moved by Senator Orji.

Senator Mohammed Ali Ndume: Mr. President, I am a co-sponsor of this Motion. The wisdom behind this Motion ably moved by Senator Theodore Orji was to relieve the Federal Executive Council of the responsibility, it took over unconstitutionally and concentrating on it so much that in the last government, people were looking at the Federal Executive Council Meetings that come up every Wednesday as a meeting for awarding or approving contracts and that is not what the Federal Executive Council is meant to be.

Under the new government of Change, those old things that were done wrongly have to be changed, and this is one of them. The Federal Executive Council is not supposed to be a contract awarding body. It is not supposed to be a body that would be reviewing contract or the progress of contract as it used to be. The Federal Executive Council has national important issues that are to be discussed on Wednesdays as it is now. I am very sure that this government would welcome the idea that this Senate is encouraging it to properly constitute the National Procurement Council that is saddled with the responsibility of doing what the Federal Executive Council is now doing.

This is very important at this time because we are yet to pass the budget. By the time the budget is being implemented, the procurement process would begin in various Ministries and contracts would be due for award. So we have to change the way these things are being done so that it can be done properly. I really want to thank His Excellency, Senator T. A. Orji for bringing this Motion and for our Colleagues on the other side for supporting that there is need for this change to start doing things properly.

I am therefore urging Mr. President to put the question on this Motion because it is a single Prayer Motion, so that we can go ahead to do other things. Thank you for your anticipated support.

Senator Mohammed Adamu Aliero (Kebbi Central): Mr. President. I rise to give my support to this Motion. It is indeed very timely that the National Council on Procurement be reconstituted. The Federal Executive Council is not supposed to award contract as we normally see every week after the weekly Federal Executive Council meeting. A lot of time is being wasted by the Council in awarding contract when it is supposed to be dealing with policy formulation and implementation. It is supposed to set direction and focus for government but issues of procurement has taken over the functions of the Federal Executive Council; for that reason, I support this Motion.

I could recall that the Public Procurement Act was passed around 2005 or 2006 but unfortunately, the Bill could not be assent to by the President until President Umaru Musa Yar' Adua came in. It was then that they started to implement the Act. There were a lot of problems associated with implementation of the Act because Ministers were supposed to follow the provisions of the Act. Unfortunately, they could not because there was no National Council for Procurement, so, it is quite consistent with the provisions of the Act for the Council to be constituted.

Senator Olusola Adeyeye (Osun Central): Thank you Mr President. I rise to give full support to this Motion and in doing so, I also wish to commend Senator T. A. Orji for bringing our attention to this situation. I was also a Member of the House of Representatives when this Bill was passed into law and the President signed what we called the Procurement Act. I remember that Obiageli Ezekwesili was then called Madam Due Process because she was put in-charge of implementing it. It is sad that the same President who signed the Act and who appointed the person to be in-charge did not deem it fit to establish the council and as we complained, we heard that one of the reasons that the council was not instituted was that after signing the Act, the President came to update certain provisions in the Act.

If that is the case, what ought to have happened was to ask for amendments to the Act; if the Executives will not do so, we can do one of two things. One, we should use the power of the National Assembly to ensure that every law of the land is obeyed. Two, we can also consult with the Executive to find out what areas of this existing Act they find problematic and together we can propose amendment to make sure that we have an Act that both the Executive and the National Assembly will respect because it is the law of the land.

My sorrow is that although we have many brilliant motions from both chambers of the National Assembly, we know too well that these motions are given very little regard by the Executive. If we really want to give teeth to this Act, then we must go beyond passing Motions. However, I applaud the mover of this Motion and totally support it.

The President: We will go to the Prayer.

- (i) *Urge the Federal Government of Nigeria to as a matter of urgency, officially set up the National Council on Public Procurement to give life and meaning to the Public Procurement Act so as to achieve the laudable objectives for which the Act came into being –*

Amendment proposed.

1403

1404

Senator James Ebiowou Manager (Delta South): Mr. President, I have no problem with the prayer but let us use the exact words that are used in the act. The appointing authority is the President, so it is better to urge the President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria to, as a matter of urgency, officially set up the National Council on Public Procurement to give life and meaning to the Public Procurement Act so as to achieve the laudable objectives for which the Act came into being.

Senator Bala Ibn Na'allah: Mr. President, I second the amendment as proposed by Senator James Manager.

Amendment put and agreed to.

Resolved: That the Senate do:

Urge Mr. President, Commander-in-Chief of the Armed Forces of the Federation to, as a matter of urgency, officially set up the National Council on Public Procurement to give life and meaning to the Public Procurement Act so as to achieve the laudable objectives for which the Act came into being.

The President: Distinguished Colleagues, I want to join in commending Senator Orji for this very important Motion and the prayer that the President should ensure that this Council is set up immediately is very apt. I believe that, while we are discussing the Public Procurement Act, we can also ask our Committees to look at the appropriate areas of the Act that needed review and amendment in order to make it more efficient.

MATTER OF URGENT IMPORTANCE

Missing Budget

Senator Enyinnaya Harcourt Abaribe (Abia South): Point of Order, Mr President.

The President: What is your Point of Order Senator Abaribe?

Senator Enyinnaya Harcourt Abaribe: Mr. President, I am coming under Order 42 – Matter of Urgent Public Importance – and if you give me the permission, I will read.

The President: Read Senator Abaribe.

Senator Enyinnaya Harcourt Abaribe: Order 42 reads:

The Matter for discussion shall, if possible, be referred to the President of the Senate before the commencement of the day's sitting and the President shall refuse to allow the claim unless he is satisfied that the matter is definite and urgent.

Today, what is in every Newspaper and in all the onshore in the Radio everywhere is the missing Budget. I want to bring it to your attention that in our Close Session yesterday, this matter also came up and some of us who have been inundated by messages from our Constituents are really worried. Our Constituents are worried about what their fate would be in 2016 and are asking us, where is our Budget? I think this matter is definite and urgent and we look into it.

The President: Thank you Senator Abaribe as you referred to Order 42 (1). This matter was not referred to me previously but as you said if possible, I will make an exception and respond to it because of its importance. As you know, we are all part of the decision at the Close Session yesterday and part of that decision is the nomination of some Senators to carry out this assignment, we are still waiting for them to give us their Report tomorrow and we will try as much as possible to finish up the report and then debate it appropriately.

CONSIDERATION OF A BILL

Agricultural Credit Guarantee Scheme Fund Act (Amendment) Bill, 2016

A Bill for an Act to Amend the Agricultural Credit Guarantee Scheme Fund Act, CAP A11, LFN 2004 to provide access to funding for Commercial Agriculture in Nigeria –

Order for Second Reading.

Senator Mohammed Ali Ndume: Mr. President, the second Order of the Day is the Second Reading of the Agricultural Credit Guarantee Scheme Fund Act (Amendment) Bill, 2016. You would recall that the bill was read the First Time in this Chamber on Tuesday, 6th October, 2015.

You may wish to invite Senator Andy Uba to move the motion for the Bill to be read the Second Time.

Senator Andy Emmanuel Uba (Anambra South): Mr. President, I am delighted to lead the debate on general principle of the Bill for an Act to amend the Agricultural Credit Guarantee Scheme Fund Act, CAP A11, Laws of the Federal Republic of Nigeria, 2004, to provide access to funding, for Commercial Agriculture in Nigeria. This Bill was read for the first time in this hallowed chamber on the 6th day of October, 2015.

To begin with, our country is richly endowed with diverse natural resources amongst which are arable land and one of the largest domestic markets in Sub-Saharan Africa. Also, agriculture is the main occupation of Nigerian rural dwellers till date.

It remains a major contributor to the economy as it accounted for more than 40 *per cent* of the nation's economy between 2003 and 2006. The contribution of the sector to Nigeria's GDP also witnessed a meteoric rise between 2010 and 2014.

The kernel of this Bill, if passed, is to promote commercial agriculture in Nigeria through the creation of access routes to concessionary funds and credit support for target commodities value chain from production to storage, to processing, then, marketing and enterprise development. The Bill also seeks to provide for the efficient administration of such credit facilities to ensure judicious utilisation of the fund.

Small-scale farmers, who are the major producers of food in Nigeria, contribute about 90 *per cent* of the total agricultural production and reside mainly in the rural areas. These farmers are poorer, less food secure and lack access to financial services than the rest of the population. Lack of rural access to financial services by these farmers does not only retard rural economic growth but also increase poverty and inequality. The scheme intends to provide such farmers access to funding for expansion.

Agricultural Credit Guarantee Scheme Fund (ACGSF) is an instrument of the Federal Government's policy on Agricultural Credit and its main role is to address the credit limitation of the agricultural enterprises, in particular small scale farmers, by providing guarantee in respect of loan granted by any bank for agricultural purposes.

This role underscores the importance which the Federal Government places on agricultural financing in Nigeria, as a way of increasing the flow of credit to farmers in order to ensure food security and national economic development. The adoption of credit guarantee policy is founded on the belief that due to the inherent risks of commercial agriculture as a tool of investment, it is not in a competition position, *vis-à-vis* other sectors of the economy, to acquire credit facilities from the formal financial institution.

Commercial Agricultural Development Project is aimed at improving agricultural production in Nigeria by supporting the commercialisation of Agricultural production, processing, marketing outputs amongst small and medium scale Commercial farmers and Agro-processing. It is also supporting the Federal Government of Nigeria in its strategic options for diversifying into the non-oil sources of economic prosperity and away from over dependence on oil and gas. To achieve the forgone objectives, the Bill will help improve access of participating commercial farmers to new technologies, improved infrastructures, finances and output markets, to strengthen agricultural production systems and facilitate access to ready market for certain targeted crops, such as maize, rice, cassava, oil palm, cotton, groundnut, rubber, cocoa, fruit trees and to cover other fields of agriculture like poultry production, aquaculture and dairy farming.

As part of this developmental role, the Central Bank of Nigeria (CBN) in collaboration with the Federal Ministry of Agriculture and Water Resources established the Commercial Agricultural Credit Scheme in 2009 to provide finance for the country's agricultural value chain which spans through production, processing, storage and marketing. Increased production arising from the intervention would moderate inflationary pressures and assist the Banks to achieve its goal of price stability in the country. This Bill seeks to provide the legislative and legal impetus, for the regulation and administration of the scheme as a departure from the current use of mere guidelines to enable farmers exploit the untapped potentials of the sector and increase output, generate employment, diversify Nigeria's revenue base, raise the level of foreign exchange earnings and provide inputs for manufacturing and processing on a sustainable basis.

The Primary objectives of the Scheme are to:

- (1) Fast-track the development of the agricultural sector of the Nigerian economy by providing credit facilities to large-scale commercial farmers at a single digit interest rate;
- (2) Enhance national food security by increasing food supply and effecting lower agricultural produce and products prices, thereby promoting low food inflation;
- (3) Reduce the cost of credit in agricultural production to enable farmers exploit the untapped potentials of the sector; and
- (4) Increase output, generate employment, diversify Nigeria's revenue base, raise the level of foreign exchange earnings and provide input for manufacturing and processing on a sustainable basis.

The scheme which is a sub-component of the Federal Government of Nigeria's Commercial Agricultural Development Programme is financed through an ~~N~~200 Billion Bond, raised by the Debt management office (DMO). Loans to eligible entities under the scheme are to be disbursed at a maximum interest of nine (9) *per cent*. The subsidy arising from this stipulated rate and the market rate on all loans granted and the administrative expenses of the Scheme are to be borne by the Central Bank of Nigeria.

The Bill further provides for the Central Bank of Nigeria and the Federal Ministry of Agriculture and Water Resources to jointly ensure that the scheme is implemented successfully. This is to be achieved through the Project Management Committee comprising the Honourable Minister of Agriculture and Water Resources as (Chairman), the Governor of Central Bank of Nigeria, representatives of the Federal Ministry of Finance and Commercial Farmers respectively, and the Programme Coordinator of the Commercial Agriculture Development Programme.

The day-to-day implementation of the Scheme is undertaken by a Technical Committee of the Project Management Committee, made up of the Director of Development Finance Department, CBN as the Chairman, Head of Agricultural Credit Support Division, CBN and the Consulting Group as members, and the Programme Coordinator of the Commercial Agricultural Development programme of the Federal Government as the Secretary.

The Scheme is under the management of the Central Bank of Nigeria through the Board of Directors and the Committee of Governors. The Committee of Governors shall be responsible for the overall administration of the Scheme while the day-to-day implementation of the Scheme shall lie with the Development Finance Department.

Finally, I urge you all to support the speedy passage of this very important Bill, aimed at improving Agriculture production in Nigeria by supporting the commercialisation of agriculture production, processing and marketing outputs among small and medium scale commercial farmers and agro-processors.

The time for the passage of this sort of Bill cannot be more auspicious, especially at this moment when the government of Nigeria is constrained to seek other viable means of revenue generation other than the sale of crude. Perhaps, the effect of this Bill would trickle down to impact on the more pressing need to create jobs and to ensure that the youthful energies of the sea of unemployed Nigerian graduates are channelled into productive ventures.

I thank you for listening.

Senator Dino Melaye: Mr. President, this Bill cannot come at a more auspicious time than this. I want to commend the intellectual sagacity of Senator Andy Uba in bringing up such an important Bill under an administration that is ready to make Nigeria work.

There is no argument about the need to diversify our economy and stay away from crude oil as our main stay. Investment in the agricultural sector and the empowerment of farmers across the country is not only imperative but is mandatory and a bitter necessity. We are talking about mechanised agriculture and plantation agriculture. We are talking about agriculture contributing minimum of 40 *per cent* to our GDP. We cannot achieve these without proper funding of that sector.

If we are going to fund that sector, we must engage intellectuals, graduates, HND and B.Sc. holders into the operations of agriculture in this country. There is a problem with what they would use as collateral since they do not have land and properties, my singular suggestion would be that government as a matter of utmost necessity must fashion out a way of funding young Nigerian graduates with the interest in agriculture.

That can be achieved by making sure that they use their university certificates or HND certificates as collateral for loans. That would encourage proper funding of agriculture. I want to assure you that the days of wasting funds on unnecessary schemes would be over.

During the former President Obasanjo administration, ₦200 billion was made available to boost agriculture in this country. The money was only channelled to political thugs and political persons belonging to different political class. At the end of the day, there was no positive concomitant effect. The ₦200 billion was disbursed, it was not recovered and it was not used for agricultural purposes. But if you engage people who would use their University or Polytechnic certificates as collateral with proper evaluation especially under the administration that is sincere and transparent about the development of this country, I am sure there would be result.

I so support this Bill and I urge my colleagues to expeditiously pass it.

Senator Ben Murray-Bruce (Bayelsa West): Mr. President, this is a great Bill sponsored by Senator Andy Uba but he did not speak loud enough. I will be giving him vocal passes after this session.

The problem is that the average age of a Nigerian farmer is mid or late sixties. It is a dying breed and it is a very serious issue. Most young people do not go into farming. Most young people do not have access to capital and because they do not have access to capital, they go into industries where there is capital or where they can communicate. So they sing, dance, jump, run and act, therefore, the entertainment industry has taken a bunch of kids away from agriculture.

For us to make agriculture viable, we must make it possible for young kids to think of it economically, so this scheme is very important and nobody can argue about the viability of this wonderful scheme. The important question now is, how would this scheme be implemented and who benefits from it? What products would be planted? What kind of mechanised farming would we get involved in? How would the funds be channelled to the farmers for these products? Who in government would determine the agricultural products that today, we want rice, maize and yams because this is the direction and I say this for specific reason. If you look at the educational sector set up by the British in the 40s and the 50s, the educational system in Nigeria today is still producing Doctors and Lawyers needed in the 50s, the universities are not producing the talents we need for technology in today's economy.

Therefore in dealing with this, the Minister of Agriculture or whoever is in charge of this Scheme must look at what we need, what the world needs and how we can direct the funds into those areas.

1409

It is an amazing Bill, it is to be commended and supported by everyone. It should be implemented as quickly as possible if, hopefully, we can pass it in record time.

Senator Muhammad Adamu Aliero: Mr. President, I rise to support this very important Bill. First on selfish ground because I am a commercial farmer; secondly and most importantly, 90 *per cent* of the constituency I represent are farmers. This Bill is meant to affect their livelihood, and for that reason, I have to support it.

Recently, the Central Bank of Nigeria together with the Bankers Committee held their meeting and they made a pledge to support the Federal Government with the sum of ₦300 billion for commercial agriculture and all it requires is the issue of risk management. Some of the Senators seated here who are bankers know what risk management is all about.

The major problem with farmers in Nigeria is accessibility to loan because they do not have what we call collateral. The Bill has actually addressed this issue and the Central Bank has recently established a unit that is meant to take the risk for commercial borrowing to farmers. Recently in Kebbi, the President, Commander-in-Chief General Muhammadu Buhari launched what we call Anchor Borrowers Scheme. It is a scheme that will enable farmers to access loan without collateral. All farmers need to do is to get an oath taker who produces wheat or rice to introduce them. The oath taker will be a miller or perhaps, somebody who is dealing in flour mill. Once a flour miller or a rice miller go and introduce the farmer, he can have access to loan without having to provide collateral. I think this Bill should incorporate this Central Bank of Nigeria initiative.

Mr. President, Nigeria cannot feed itself if we continue with the subsistence agriculture. The only way we can feed ourselves is to go into commercial agriculture. Nations that have excelled and are exporting food crops do so because they have embraced commercial agriculture. If we really want to diversify our economy, the way to it is commercial agriculture. We must mechanise our agriculture and the only way we can do it is to get support from our banks.

We cannot do it with the current commercial bank loan of 20 *per cent*, 25 *per cent* or even 30 *per cent*. Single digit rate is the only way out; presently, it is nine (9) *per cent*. I will even recommend that it should be five (5) *per cent* to six (6) *per cent* and nothing more than that because if government is really serious in supporting agriculture, it should do so by reducing the interest rate so that what obtains in developing countries like China, India and Vietnam can also be done here.

1410

I urge my colleagues to support this Bill, it is very important and it is consistent with what the Federal Government of Nigeria is trying to do, that is, the diversification of our economy; it will generate a lot of employment. All of you come from constituencies where we have a large number of unemployed youths; this is the way out. Support this Bill and a lot of people will be employed.

Senator Ike Ekweremadu (Enugu West): Mr. President, first we have to realise that this is an amendment to an existing Bill; so, most of our colleagues will like to know the value that this will add to the existing Bill and will like to see the existing Bill.

It is also important that we use this intervention to harmonise the Central Bank initiatives in agriculture and see how we can align this with the mandate of the agricultural bank. We appear to be having so many agencies in this subject and it is creating too many bureaucracies. I believe we can use the process either on the floor of the Senate as it is being debated or when it goes to the Committee to ensure that there is a comparative analysis of the existing Bill, its intendment, the interventions from the Central Bank and the mandate of the Agricultural Bank so that we do not create too many agencies. In this present difficult economic situation, it is important to streamline our agencies. Therefore, I would like to support anything that would promote agriculture, more importantly, the commercial agriculture.

Senator Godswill Obot Akpabio (Akwa-Ibom North West): Mr. President, I will not go far because the Deputy Senate President has already said my mind. Any initiative that is promoted or brought forward to help agriculture and diversification of the economy in Nigeria must be welcomed by all well-meaning Nigerians, particularly now that the Oil price is sliding and we are not sure that very soon, a barrel of crude oil will have any meaning. Now, our recourse has to be agriculture and I believe strongly that it would be a major source of employment for our young graduates. When we go into the detail, because they say the devil lies in the details, we will be able to know areas of the existing Bill that we need to amend. As at now, the areas we are going to amend and how the amendment will enhance or assist the current administration to achieve its objectives is not very clear.

I do know that there were many Schemes in the past and Senator Dino Melaye made a mistake when he said that the ₦200 billion that was earmarked by the last administration were given to thugs. When I looked at our Standing Order which says, a Senator should always restrict himself to what is discussed on the floor of the Senate, I do not see how this chamber can make a statement that ₦200 billion from Central Bank went into the hands of thugs without evidence.

1411

In essence, Senator Dino Melaye may want to give us more details of the thugs whether they came from Kogi State and who distributed the money. However, that is not the point now; the point is that if we can have more details of the areas of amendment that can help agriculture, I will be very glad to support it.

Senator Bukar Mustapha (Taraba Central): Mr. President, I stand to support the lead debate as presented by Senator Andy Uba but my main contribution has been made by the Deputy Senate President and the Minority Leader. Really, we need to get more information on what we are actually amending.

Secondly, whatever is it that we are amending; I hope we will be able to think about our peasant farmers. The loans have been made available for quite some time because this is not the first time the CBN is providing this facility but it has not really benefited the ordinary farmers like Senator Aliero said, 90 *per cent* of our population in our constituencies are farmers and they have no access to credit. Above all, they are also financially excluded. We do not have any banking facility in our areas.

Therefore, whatever amendments we would want to make to this, we hope it will be amendment that will really be meaningful to our teeming population and the farmers that have actually been feeding Nigeria. We should not just look at the new farmers that we want to create; those that are going to use the facilities and become rich. Those people that have been feeding this country need to get our attention. So, whatever amendment that we are going to make will make these facilities meaningful.

I so support the discretion.

Senator Chukwuka Godfery Utazi (Enugu North): Mr. President, I want to lend my support to this very important discussion on this Agricultural Credit Guarantee Scheme Fund Act provided by Senator Andy Uba.

This is very important because on the 22nd December, 2015, Mr. President came here with his budget and we talked about non-oil revenue; how we can diversify the economy, what we are going to do to make things work. I am from an agrarian area and my people are all farmers. I am very happy that some Senators who farm on oil also joined the discussion that agriculture should take the centre stage. We know that where they do not have lands, they talk about pollution.

This issue of access to credit for the farmers is very important. Today, we have a teeming population of the unemployed roaming the streets; they do not have anything doing. Some of them through the Graduate Scheme of the SURE-P have been educated to learn one thing they are going to do outside their certificates.

1412

Most of them have gone into poultry, producing vegetables *et cetera* but today, they do not have access to funds. SURE-P Scheme has also gone under and so most of these people are roaming and moving through all parts of the country without anything doing. I feel that if they watch and listen to what we are discussing here in the news, they will have a sigh of relieve that this Senate is alive to its responsibility. We have to make sure that we get this done.

When we get to the public hearing, the nine *per cent* interest as suggested by Senator Andy has to go back to five *per cent* because if we make it nine *per cent* interest rate, it is still going to be very difficult for them. We have to make it in such a way that they will be encouraged because if they have funds, they will get things started and if they get started, most other people will also join them.

I thank Senator Andy Uba for this wonderful Bill. If we do it, it is going to help a lot of people in my area. We have Ada Rice Farm Project that the Ministry of Water Resources and Ministry of Agriculture have over the years tried to do something about without success. If things are done properly in line with what we are doing here now, graduates in my area will not come to Abuja or bother me with phone calls to find them the non-existing job.

I discussed with my people during the Christmas season to find other things doing instead of looking for white collar job that does not exist and I feel this is going to help me to achieve that. Therefore, I support that this Bill should be given accelerated hearing and passage.

Senator Emmanuel Bwacha (Taraba South): Mr. President, at one point, I enjoyed the privilege of chairing the Senate Committee on Agriculture throughout the 7th Senate. I have no quarrel with this Bill. Issues raised in this Bill are very familiar but the component that is being amended in the Act should be stated. From the tune of the debate, it appears this is a new Bill; it does not appear as if it is an amendment because some of the issues canvassed are already on-going.

Agriculture Credit Facilities are being awarded at one single digit and I also heard a member of the Governor's Forum mentioned that the components being amended are stated. I perused through the entire lead debate, I could not find any. Probably, Senator Andy will help us by pointing it out.

Agricultural Sector is one sector that the then opposition acknowledged that the last Government did well. President Buhari will not agree less when he added his support for Dr. Adesina who was championing the transformation agenda to go ahead and head the African Development Bank. Clearly, that was an endorsement of the success of the policy of agricultural sector in the then administration.

1413

Again, as canvassed in his debate, I want to believe that agriculture is a business and it has contributed substantially to our Growth Domestic Product. In the last analysis which saw Nigeria rated the largest economy in Africa, agriculture was said to have contributed 50 *per cent* of the score that took Nigeria to that height. This Government will do us well to continue from where the last government stopped in ensuring that we promote the agricultural sector and provide sufficient funds to fund agriculture.

We did canvass that the Moputo Declaration be respected. How? A significant percentage of the national budget be committed to agriculture but one worrisome aspect of this is, this position was canvassed in 2003 but throughout that regime, there was no attempt made to ensure that a percentage of the national budget was committed to agriculture. We believe that with the support President Buhari gave the agricultural sector in the last regime, he will achieve this by ensuring that a reasonable percentage is given.

Even in the 2016 appropriation estimate, we can ensure that agriculture takes centre stage because we have already embarked on the process of transforming the economy. He is no longer saying let us not allow Nigeria economy to be a mono-economy, he is already depending on agriculture now from the result of the successes achieved in the last Government. If you are saying let us diversify, you are already saying the obvious because we have already achieved that feat. I want to call on my colleagues to support this especially if we have identified the components that are being amended.

Senator Isah Misau Hamma (Bauchi Central): Mr. President, Point of Order!

The President: What is your Point of Order, Senator Misau Hamma?

Senator Isah Misau Hamma: I am coming under Order 56 (9) and (10); with your permission, may I read?

The President: Please read.

Senator Isah Misau Hamma: Mr. President, Order 56 reads:

- (9) *When a Senator is speaking, no Senator may converse aloud or make any noise or disturbance to interrupt him.*
- (10) *During a sitting all Senators shall be silent or shall confer only in undertones.*

I find out that some Senators have divided this Chamber, if you look behind, you will see that some Senators are discussing and I feel I am being disturbed from listening to the discussion.

1414

The President: Thank you distinguished Senator Isah, your Order is sustained. There is a lot of space in the coffee room for those that want to discuss. Distinguished Senators, is there anybody who is not in support of this Bill? I will take three more contributions and then put the Question.

Senator Abubakar Kyari (Borno North): Mr. President, in as much as I support this Bill, I want to highlight certain issues. Everybody knows in this country that agriculture is the largest employer of labour and considering the situation that we found ourselves today, the only way out is to go back to agriculture.

Policies have been made in the past but when we look at the past history, what was it that made agriculture the main stay of this economy in the 60s? What happens today? What is it that we are not doing right, is it the mind-set or the orientation? People always talk about the cost of Oil but I want to believe that there are countries that have oil but at the same time, they excel in agriculture. What is it that we as Nigerians are not doing? We have Policies, Acts and Institutions that were set up.

I could remember that there was, in the 80s, one called NAFDAC. Everybody thought that land reclamation is the key to agriculture but that was used as a conduit for corruption. We also know that policies have been made, agricultural binds, Central Bank intervention but at the end of the day, big time large scale farmers who have been top Government Officials and now they have retired and go and set up big farms. They took advantage of those schemes and loot this country.

Mr. President, I hope this policy would not go down the same way because the farmer in my constituency, Malamfatori in Abadumu Local Government does not know anybody in Central Bank of Nigeria but those that have big farms have access and have the connections. How does the person in Malamfatori that is 1,400 Kilometres away from Abuja get access to this fund. The closest central banking to Malamfatori is the one in Maiduguri which is about four or five hours drive, the poor man cannot get there.

Again, we talk about five (5) *per cent* and nine (9) *per cent* interest rate, are we ready to compete in agriculture in this world when the United States is giving 0.25 *per cent* interest rate which is not even up to one *per cent* and we are talking about nine *per cent*. We are subsidising input because today, State Governments are spending billions subsidising fertilizer. What do we do? Let us look at the policies and what we need to do.

Maybe the best way is the way I look at it in the 60s, they served because Government subsidised production and not input. They were giving credit schemes to small scale farmers. The harder they work, the more they produce and government buys these products at a guaranteed price and that encourages farmers to produce.

1415

I support this Bill but let us look at the implementation and other factors that would move agriculture forward in this country.

Senator Barnabas Gemade (Benue North East): Mr. President, I would like to support this Bill even though when I speak instances, it would be like I am opposing it but I am not. I am supporting this Bill because Agricultural Credit Scheme is a very important tool with which you can increase agricultural production.

I come from a territory that is near 100 *per cent* peasant farming community and to make credit available to a peasant farmer is one of the most difficult things to do; on the other hand, it is a very necessary thing to accomplish before you can really multiply agricultural production to the level that we want to bring it in this country. The majority of the farming population in Nigeria is a peasant population, it is not only to the large scale farmers who have access to large acreage of land with managerial ability to actually manage credit facility that funds should be made available.

If we look at the Bill, it does not point out exactly the areas of the existing Act that need to be amended, removed or which ones actually need to be added to achieve what the Bill being presented seeks to do. This limitation can be taken care of when we come to the public hearing and after this Second Reading, it is very important that Agricultural Credit Guaranty Scheme can never be dealt with without Agricultural Extension Scheme being improved up to the same level that would take care of the interest of the peasant farmer.

The Obasanjo administration, as we heard, provided ₦200 billion through the Central Bank for Agricultural Credit and the Jonathan administration provided ₦180 billion. Both dispensations provided reasonable amount of money for agricultural credit in Nigeria but the question is who got this money?

Disbursing this money through the Central Bank and Governors ends up becoming a Scheme of reward for supporters in the political arena, friends and sometimes, as Senator Dino would put it, thugs of certain people. In my State, I even glanced a list of those who benefited from the ₦180 billion which was given out and it turned out to be that the Governor himself plus few friends of his got ₦50 million, ₦60 million and ₦100 million from that Scheme and looking deeply into it, they had absolutely nothing to do with agriculture.

Therefore to make it effective, we must enshrine in this Act certain provisions to promote agricultural extension where throughout the nation, maybe at each Senatorial districts, there is a centre for agricultural extension where mechanisation, supply of quality seeds, supply of inputs into agriculture like fertilizer are going to be available and knowledge imparted to farmers who do not have the know-how but all their lives they have been farming.

1416

If we tie these two schemes together, maybe in amending this Act, we put some aspect of the extension into it in such a way that both the large scale and small scale farmers can benefit from the Credit Guarantee along with the extension services that would make them available to using the knowledge and the facilities that are available. In this case, it would become a holistic improvement on the use on the implementation of the credit guarantee that is, at this moment, being put out by the Government.

It is a good Bill and definitely, at the end of the day, if all these aspects are incorporated, we would have a new law that is actually going to promote agriculture.

Senator Samuel Nnaemeka Anyanwu (Imo East): Mr. President, just yesterday when we resumed Plenary, you raised a very significant point in your welcome address that we must demonstrate to Nigerian people who put us in office that we are working in their interest to ensure the progressive and inclusive national development plan. This Bill is part of that address which is very apt and it is important that in its debate, we must look inwards and take forensic analysis of such a Bill because it is for the betterment of all Nigerians.

My colleagues have spoken and they have almost said what I wanted to say. However, I agree with the policy of the APC Government of diversifying the economy of which agriculture and solid minerals have taken the chunk of it because people are talking about creation of jobs for the teeming unemployed youths of this country.

During the screening of the Ministerial nominees, everybody agreed that agriculture will take a large chunk for unemployed Nigerians and the only way we can do that is by encouraging them through this kind of scheme.

We have lots of political farmers and when these funds come, they will take the money and this money will not filter or go right down to the people who are the real farmers. Therefore, it is important that in the new spirit and in the wave of the change of this administration, these political farmers must stay away and we must find a way to ensure that these funds get to the real farmers.

For instance, during the Christmas, I had a youth summit where I educated the youths of my senatorial district on the need to go back to the farms but the only problem they have is finance and they are ready to go back to farming. I cannot as a person provide such finance; it is this kind of scheme. We must find a way to make sure that they have a soft loan and even if they are going to pay interest, it should be a single digit interest rate which should not be less than three (3) to four (4) *per cent* for this set of youths. If we have over 60 *per cent* of Nigeria unemployed youths who agreed to go to farm and they are allowed to move in, there is no way we will not have food security in Nigeria and yet, increase our foreign exchange.

1417

1418

Therefore, this Bill is apt, very important and must be taken seriously. On this note, I want to support this Bill.

The President: Thank you very much distinguished Colleagues for your comments and contributions to this debate. You have all mentioned the important areas on the Bill. At this point, I will like to put the Question on the Second Reading.

Question put and agreed to

(Bill read the Second Time and referred to the Committee on Agriculture and Rural Development to report back in four weeks.)

I want to thank Senator Andy Uba for this and those who have contributed. The Members of the Agriculture and Rural Development Committee will take note of some of the observations and contributions that were made during the debate particularly, the harmonisation of the CBN initiatives, issues raised on other existing Bill and the extension scheme; more importantly, ensuring that the small scale farmers that need this credit the most get access to this Scheme.

I hope that the Committee, during the public hearing, will do all the necessary work to ensure that the final product that is brought to us for Third Reading will address all these concerns. The Vice Chairman, Committee on Agriculture, please, let us have this back in four weeks because this is a very important and priority Bill and as we said, this red Chamber must have delivery in 2016.

CONSIDERATION OF REPORTS

Report of the Ad-Hoc Committee on Aviation

Senator Bala Ibn Na'allah,: Mr. President, the third Order of the Day is the consideration of the Report of the Ad-hoc Committee on Aviation on the Worrisome and Unstable position of the Nigerian Aviation industry.

You may wish to invite Senator Rabiu Musa Kwankwaso to move the Motion for the Senate to consider the Report of the Committee.

Senator Rabiu Musa Kwankwaso (Kano Central): Mr. President, this is the Report:

Introduction:

On Thursday 13th August, 2015, the Deputy Senate Leader Senator Bala Na'allah representing Kebbi South Constituency moved a motion drawing the attention of the Senate to the followings:-

- (i) The almost near crisis in the aviation sector with domestic airlines requesting for bailout;
- (ii) That there has been previous intervention by past governments to bail out some domestic airlines which were greatly misused and has failed to yield commencing operations.

Senate Resolution:

The Senate, therefore, resolved to mandate its Ad-Hoc Committee on Aviation to:

- (i) Undertake a holistic investigation of the circumstances and reason militating against the healthy growth of the aviation industry in Nigeria and make recommendations;
- (ii) Look into the desirability or otherwise of granting bail out to the existing airlines and make recommendations; and
- (iii) Take holistic overview of the industry and make recommendations for repositioning the industry to meet and compete favourably internationally and report back to the Senate.

Membership of the Committee:

The Constitution of the Senate Ad-Hoc Committee on Aviation was announced on Thursday 13th August, 2015. The following are members of the committee:

(1)	Senator Rabiu Musa Kwankwaso -	Chairman
(2)	Senator Bala Ibn Na'allah -	Member
(3)	Senator Utazi G. Chukwuka-	Member
(4)	Senator Rilwan Adesoji Akanbi -	Member
(5)	Senator Oduah A. Stella -	Member
(6)	Senator Kabir G. Marafa -	Member
(7)	Senator Salihu E. Hassan -	Member
(8)	Senator Olaka Nwogu -	Member

Mr. Aboluwade Victor - Committee Clerk.

Reasons for late Submission:

The Committee which was constituted the same day the Senate went on six (6) weeks recess was also faced with the problem of release of funds for the investigation. The Committee was able to start serious work after the recess and when the fund was released. It however made judicious use of funds available and collected information relevant to its investigation.

Methodology:

Following the Senate's mandate, the committee met on Wednesday, 19th August, 2015 and resolved:

1419

- (i) To be objective in its investigation in order to present a good report that will stand the test of time;
- (ii) To embark on a fact-finding mission to the airports in phases starting from Abuja, Lagos and others in the Southern and Northern part of the Nigeria;
- (iii) To conduct investigation hearing in form of interactive sessions with the Chief Executives of Aviation parastatals and the Management staff;
- (iv) To have meeting with Airline Operators of Nigeria and Aircraft Operators Association of Nigeria;
- (v) To meet with the Labour Union of Aviation Industry.

Submission and Oral Evidence:

The Committee hosted a three day Investigative hearing as part of the investigation into the issues raised between Tuesday 20th October and Thursday 22nd October 2015.

Permanent Secretary, Federal Ministry of Aviation, heads of departments and parastatals as well as Airline Operators of Nigeria, Aircraft Operators Association of Nigeria, Aviation Union Bodies testified at the Investigative hearing. Other Stakeholders also testified.

A total number of fourteen (14) written submissions were received by the Committee from Federal Ministry of Aviation, Aviation Union, Aviation Parastatals, Airline Operators of Nigeria, Aircrafts Operators of Nigeria and other Aviation Stakeholders.

During the investigative hearing Eighteen (18) Stakeholders and Thirteen (13) Institutions testified before the Committee.

Presentations and Submissions by Aviation Stakeholders:

Various submissions were presented by the aviation stakeholders to the committee and the committee responded with questions appropriately.

The stakeholders that were represented and made presentation were:

- (i) Federal Ministry of Aviation (FMA);
- (ii) Federal Airports Authority of Nigeria (FAAN);
- (iii) Nigerian Civil Aviation Authority (NCAA);
- (iv) Nigerian Airspace Management Agency (NAMA);
- (v) Nigerian Meteorological Agency (NIMET);
- (vi) Nigerian College of Aviation Technology (NCAT);

1420

- (vii) Nigerian College of Aviation Technology (NCAT);
- (viii) Accident Investigation Bureau (AIB) ;
- (ix) Airline Operators of Nigeria (AON);
- (x) Air Transport Services Senior Staff Association of Nigeria (ATTSSAN);
- (xi) Aircrafts Operators Association of Nigeria (AOAN);
- (xii) National Association of Aircraft Pilots and Engineers (NAAPE);
- (xiii) National Union of Air Transport Employees (NUATE);

Submission by Federal Ministry of Aviation:

The Federal Ministry of Aviation informed the committee on the implementation of airports infrastructure development which consists of remodelling and reconstruction of domestic terminals at Abuja, Lagos, Port Harcourt and Kano airports.

The ministry represented by the Permanent Secretary Hajiya Binta Bello also made mentioned of other special intervention projects going on at Enugu International Airport and Bayelsa Airport.

According to her existing runways in some of the airports namely Abuja, Benin, Akure, Maiduguri have degraded due to distress and age.

In respect of aviation regulation in Nigeria, the Permanent Secretary said that presently the Nigeria Civil Aviation Regulation 2009 and 2012 were being reviewed to ensure that regulations are in compliance with latest amendments to relevant ICAO annexes that have been domesticated in the Nigeria Civil Aviation Regulation.

Also, the Civil Aviation Act 2006 was also undergoing amendment to address the deficiencies identified in the Act.

FAAN, NAMA and NIMET laws were being reviewed to remove conflicts that exist within them.

In her final submission she said the Nigeria airlines were still grappling with challenges of sustainable growth arising from the followings:-

- (a) Limited access to capital market and high cost of fund;
- (b) High debt profile;
- (c) Lack of easy access to foreign exchange;
- (d) Inadequate number of aircrafts;
- (e) Inadequate corporate governance and management (reckless financial indiscipline);
- (f) Lack of night flying infrastructure in significant number of airports in Nigeria;

1421

- (g) Lack of capital flight due to employment of expatriates and high cost of maintaining them;
- (h) Reluctant to enter into partnership such as Code Sharing;
- (i) High operational cost to airline operators which include inadequate supply and high cost of aviation fuel compared to elsewhere in the world;
- (j) Prohibitive bank interest rate;
- (k) High maintenance cost due to non-availability of maintenance organisations to accomplish heavy checks in Nigeria;
- (l) High training cost due to non-availability of training facilities;
- (m) Unemployment – many trained Nigerian Pilots are unemployed while our domestic airlines engage in the employment of foreign Pilots.

Submission by Federal Airports of Nigeria (FAAN):

The Managing Director of FAAN Engr. Saleh Dunama presented the following challenges and obvious constraints facing the authority:

- (1) Manpower shortage in operational departments;
- (2) Obsolete equipment e.g. Chillers, Travellators, Escalators, Lifts, Avio-bridges, Public address systems, etc.;
- (3) Aged facilities e.g. runways taxiways, aprons etc. specially Abuja runways;
- (4) Epileptic power supply and high cost of alternative power supply;
- (5) Airport land encroachment;
- (6) Abandoned projects due to insufficient funding at the airports, e.g. terminal buildings, cargo terminals, cargo apron expansion (NMA) taxiway, perimeter fence, perimeter road, office building, car park, etc.;
- (7) Inadequate communication equipment;
- (8) Inadequate training of manpower including mandatory programs;
- (9) Escalating debtors, status, etc.

Submission by Nigerian Civil Aviation Authority (NCAA):

The Director General NCAA Captain Muktar Usman informed the committee that NCAA is the regulator of the Aviation Industry.

He further stated that the Aviation Regulations in Nigeria are:

1422

- (1) Civil Aviation 2006 which is undergoing amendment to address its deficiency;
- (2) Nigeria Civil Regulation 2009 and 2012 which are being reviewed;
- (3) Nigeria Civil Aviation Policy 2013 which is to be reviewed every 15 years.

Submission by Nigerian Airspace Management Agency (NAMA):

According to the Managing Director Engineer Abdulsalam Ibrahim, NAMA primarily provides:

- (1) Air Traffic Management Services;
- (2) Aeronautical Information Management Services;
- (3) Airspace design and flight procedures design services;
- (4) Aeronautical chart services;
- (5) Aeronautical telecommunication services;
- (6) Flight calibration services;
- (7) Aeronautical survey services;
- (8) Search and rescue services.

The Managing Director later told the Committee the operational challenges facing the agency as:

- (i) Epileptic power supply nationwide leading to very high overhead cost;
- (ii) Lack of a serviceable flight calibration aircraft for flight checking of our CNS/ATM equipment and flight procedures.

While concluding he said that NAMA has deployed adequate communication navigator, surveillance and Air Traffic management facility that will guarantee safety efficiency and economy of our air navigation system. But this notwithstanding there is still much to be done and put in place by NAMA.

Submission by Nigerian Meteorological Agency (NIMET):

The representative of the Director General NIMET Engr. I.D Nnodu intimated the committee about the mandate and functions of NIMET; to provide meteorological services, issue weather forecast for safe operation of Aircraft Ocean going vessel and oil rigs and provide meteorological services to all sectors of the economy.

The agency is also mandated to conduct research in meteorology and regulate the practice of meteorology and ensure standard practice in weather operations.

1423

1424

NIMET according to him have their challenges, which are:

- (i) Dwindling Federal Government appropriation for Federal budget.
- (ii) Ageing Workforce.
- (iii) Inadequate number of synoptic stations.
- (iv) High rate of instrument obsolesce and degradation.

Submission by Accident Investigation Bureau (AIB):

The Commissioner/ CEO of AIB Dr. Felix Abali stated that section 29 of the Civil Aviation Act 2006 established the AIB as a corporate body and autonomous agency reporting to the President through the Minister.

According to him the Acts domesticated ICAO annex 13 to the Chicago convention and made it the cornerstone of the Bureau operation.

The Federal Government through the Federal Ministry of Aviation formulated a policy on Accident Investigation and Prevention and via National Civil Aviation Policy (2013). While concluding the Commissioner said that the objective of the Bureau is to ensure friendly and thorough investigation of all accident and major incidence with a view of preventing future occurrence.

Submission by Nigerian College of Aviation Technology (NCAT):

The Rector of the College Capt. Samuel A. Caulcrick said the College is an Aviation Training Organisation (ATO) charged with the responsibility of training pilots' aircrafts maintenance engineers, aircrafts controllers, aeronautical telecommunication engineers, cabin crew, flight dispatchers and other specialties for the aviation industry. Speaking further the Rector highlighted that many equipment have been procured by the College for the training of students but more can still be procured e.g. B737 aircraft stimulator. He also informed the committee about the college land encroachment.

Also he said there is a bill the college is pushing to the National Assembly through the Federal Executive Council in order to position the college to compete favourably with other aviation college in the world.

The Rector highlighted the challenges facing the college as:

- (1) No funding in 2015 budget for insurance;
- (2) High cost of aviation gasoline;

- (3) Outstanding insurance claims;
- (4) Fall in annual Federal Government Budget to the College;
- (5) Shortage of Technical Staff;
- (6) Inadequate equipment and facilities;
- (7) Inadequate accommodation and hostel for students.

Submission by Airline Operators of Nigeria and Aircrafts Owners Association of Nigeria:

Airlines Operators of Nigeria (AON) and Aircrafts Owners Association of Nigeria (AOAN) is the major umbrella of aviation operators in Nigeria and they made their presentations as follow:

Submission by Airline Operators of Nigeria:

The representative of Airline Operators of Nigeria Capt. Yemi Dada submitted that the airline business in Nigeria has a huge potential for growth and profitability. According to him, the wide expanse of land that made up the territory, huge populations and the location of the territory central to connecting the West and East African economic zones are ingredient for growth and profitability.

However, according to Capt. Yemi Dada there are challenges faced by the airlines which limit the development and survival prospects of the airlines leading to a huge number of bankruptcies in the sector in the recent years.

The challenges are:

- (1) Funding
- (2) Infrastructure
- (3) Foreign exchange and custom policy
- (4) Operating cost
- (5) Personnel

Aircraft Operators Association of Nigeria:

Capt. Mohammed Joji the Secretary General of Aircraft Operators Association of Nigeria revealed to the committee in his submission that from 1983 -2013 46 Nigeria Private airlines have gone under the drain.

According to him multiple charges to airlines by Aviation Agencies are numerous and too much. On the part of Aviation Intervention Fund he said that the whole bailout plan appear to be an elaborate charge concocted by the credited banks to collect their money and leave the airline in the lurch. To him the purpose and objective of the fund which was well thought by the government did not solve any problem in the aviation industry.

1425

He further said that Abuja Airport Master Plan included the construction of a second runway and this should be looked into immediately.

While concluding Capt. Mohammed Joji suggested the merger of NIMET and NAMA.

Presentation by Aviation Unions Bodies:

The Aviation Union Bodies that were represented and made presentations at the interactive meeting were:-

- (1) National Union of Air transport employees (NUATE);
- (2) Air transport Services Senior Staff Associations of Nigeria (ATTSSAN);
- (3) National Association of Aircraft Pilots and Engineers (NAAPE).

In their presentations, they highlighted their challenges as:

- (1) The poor state of infrastructure at our airports;
- (2) Conflicts of functions within the Aviation Parastatals;
- (3) Politicisation of government policy on aviation;
- (4) Deficiency in the provision of aviation facilities at our airports;
- (5) Poor administrative management and reckless financial management on the part of the owners of the airlines;
- (6) High fuel pricing and availability;
- (7) Multiple charges by different aviation agencies providing services to airlines;
- (8) Lack of well-established maintenance of aircraft facilities;
- (9) Cost of finance from creditors mainly the banks and financial institutions;
- (10) Huge indebtedness of Airlines arising from poor decision making process in each airline;
- (11) Non-payment of entitlement and severance benefits of retired staff since 2012;
- (12) Alleged withheld/hijacked and or misappropriated of over ₦3 billion owed former workers of Nigeria airways domiciled in BPE (Bureau of Public Enterprise);
- (13) The status of BASA fund and unavailability of National Carrier;
- (14) Unavailability of aircraft maintenance, repair and overhaul (MRO) hangar facility;
- (15) Obsolete landing and navigational facilities;
- (16) The problem of expatriate quota in the industry;

1426

- (17) None existence of aviation legislation to support the growth of the aviation industry;
- (18) Lack of legislative back-up for NIMET to commercialise its operations;
- (19) The Aviation Sector Unions expressed their dismay on the present composition of the newly announced leadership of Senate Committee on Aviation. They informed the Committee that a copy of the letter written to the Senate President would be forwarded the committee.

Other Submissions:

The Federal Government of Nigerian gave approval for the operation of Emirate Airlines at Mallam Aminu Kano International Airport in 2013. But for the conditions later attached to the approval by the then Federal Ministry of Aviation, the operation of the airline could not hold. The condition is that they can only fly Kano route and not Lagos and Kano routes at the same time.

There were other International Airlines like Etihad and Asky Airlines that also showed interest to fly into our International Airports.

Findings and Observations:

As a result of its oversight visits and deliberations, the Committee submits the following findings:-

- (1) In response to the increased demand for air transport services, Nigerian Airspace Management Agency (NAMA) embarked on strategic safety and capacity enhancements projects. These projects are designed with the aim of addressing challenges relating to communication, Navigation, Surveillance and Air Traffic Management System, in order to evolve a safe, effective and efficiency air navigation system in Nigerian Airspace. These projects are:
 - (i) Aeronautical Information Management Projects designed to facilitate the automation of our aeronautical information management system as well as provide facilities for voice and data (ground to ground) communication before Air Traffic Control Units for co-ordinator of flight movement. This project is scheduled for completion in eleven (11) airports by 1st quarter, 2016.

1427

- (ii) NAMA has deployed satellite based surveillance and communication systems, ADS-C/CPDLC in Lagos and Kano to address the challenges of long range air ground communication. A successful Site Acceptance Test (SAT) for Lagos was conducted on 13th October, 2015 while that of Kano was conducted on 20th October, 2015.
- (iii) NAMA has initiated the performance Based Navigation Project (PBN Project) and the World Geodetic Systems 84 survey (INGs 84 survey projects) to provide the required infrastructure for the migration from ground- based to satellite based air Navigation in the Nigerian Airspace. The PBN Project was completed in 2012. The successful completion of the projects was placed among the first few countries worldwide to have affirmed this feat.

The benefits of these projects include:

- (a) reduced flight delays and flight times
 - (b) reduced fuel consumption
 - (c) reduced Co2 emissions
 - (d) reduced pilot and Air Traffic Control workload
 - (e) enhanced safety and efficiencies of flight operations.
- (2) Nigerian Meteorological Agency (NIMET) has initiated some projects and programmes for safe and vibrant aviation sector.

These projects are:

- (i) Development of National Weather Forensic and Climate Research Centre;
- (ii) Procurement and Installation of six (6) Applier Weather Radars;
- (iii) Implementation of Quality Management System leading to ISO 9001:2008 Certification;
- (iv) Procurement and installation of Infrastructure for calibration of Meteorological Equipment.
- (v) Procurement and installation of meteorological equipment for air navigation safety:
 - (a) Low level wind shower Alert System
 - (b) Thunderstorm/Lightening detectors.

1428

- (3) Some of the equipment and infrastructure recently provided by the Federal Government at the airports are lacking proper maintenance. There is poor maintenance culture in the Aviation Industry.
 - (4) There is shortage of man power in the professional areas of the Aviation Industry due to aging process while the parastatals are overstaffed in the unprofessional areas. Invariably there is over bloated non-technical staff as against the needed technical personnel.
- There is dearth of well trained and experienced personnel in all aspects of aviation operations ranging from pilots to ground operations personnel.
- (5) There is little measure of financial and bureaucratic autonomy enjoyed by the Aviation parastatals. While it is important that the parastatals should report to the Ministry, but it is pertinent to note that frequent visits or meetings with the Ministry will jeopardise the efficiency needed in the smooth running of the activities of the parastatals.
 - (6) Out of the twenty-two (22) airports in the country, only four (4) are generating enough funds and the funds so generated from the four (4) airports are being used to run the other airports.
 - (7) There is presence of abandoned and dilapidated structures at some of the airports that have no value for existence again making these airports environment's looking very bad.
 - (8) There is high cost of aviation fuel in Nigeria compared to what is obtainable in the neighbouring countries. The cost of operating an airline in Nigeria has been increasing steadily without a corresponding increase in revenue. The pricing mechanism for Jet A1 has been stripped of all government subsidies as against all other commonly used fuels. This has resulted in a very high and very erratic cost of aviation fuel (Jet A1).
 - (9) There are many young pilots in Nigeria but they cannot get job because of handicaps of getting enough hours of flying before they can be employed. Foreigners are taking the jobs of pilots in Nigeria now.
 - (10) It was observed that Nigeria is the only country where Jet Aircraft is used to do calibration.

Calibration on Nigerian Aircrafts vis-à-vis Navigational aids Flights Inspector and Survey (NAFIS) is a unit under Nigerian civil Aviation Authority (NCAA) performing scheduled and non-scheduled routine testing inspection and monitoring of radio navigational aids within the Nigerian Airspace and airports. NAFIS has an 175-125 700B aircraft for its calibration duties. The aircrafts was flown to South African for mandatory check in March 2005 and was returned to the country in June 2010. This aircraft has been packed since and will be due for another mandatory check soon.

- (11) The Federal Government Intervention Fund for Aviation Industry in time past has been discovered not to have been spent to alleviate any problem in the aviation industry. There are allegations that Barrister Jimoh Ibrahim, Group Managing Director Global Fleet diverted ~~N~~5billion out of the Bank of Industry loan of ~~N~~30.5billion given by the Federal Government as a bail out for Aviation Industry, Air Nigeria owned by Barrister Jimoh Ibrahim applied for \$40 million AFRIXIM loan being another fund provided by Federal Government to support the aviation industry and it was alleged that \$26,969,505.65 from this loan was diverted for the acquisition of Energy bank of Ghana.
- (12) The Nigerian Airline Operators grappled with challenges posed by infrastructure at our airports ranging from Terminal building, Apron space, run way, air field lightening and so on and so forth.
- (13) The most critical of all the challenges faced by Nigerian Airlines is the issue of funding. The financial sector in Nigeria has not taken a critical look at the sector to define a financial product that will march the business cycle of the airlines.
- (14) Many airlines that operated in Nigeria in the past liquidated untimely. And the factor that contributed to their disappearance is still visible in aviation industry now. Something needs to be done to sustain them so that they don't die the way their predecessors died. From 1983 – 2013 forty-six (46) Nigerian Private Airlines have gone under the drain and liquidated.
- (15) It is noted that in spite of the appreciable improvement in airports infrastructure and navigational aids, there is problem of defective leadership, poor strategic planning, poor policy formation and implementation, misplaced priorities, unpatriotic and neo colonist tendencies and corruption in aviation industry.

(16) It was alleged that influx of foreigners into the Nigerian Aviation Industry is as a result of expatriate factor manipulation and indiscriminate endorsement of foreign increase by the NCAA.

(17) There is inadequate run ways in Nigerian Major Airports especially in Abuja and Lagos.

(18) The air conditioning, toilets, seats and other essential facilities at our airports are in very poor state.

(19) There are conflicting issues in the Acts that established the aviation parastatals especially Federal Airports Authority of Nigeria (FAAN) and Nigerian Airspace Management Agency (NAMA).

(20) It was alleged that the Chief among the plight of Airline Operators in Nigeria is poor administrative management and reckless financial management on the part of the owners of the airlines.

Recommendations:

- (1) A new attitudinal change and good leadership spirit should be inculcated by the Chief Executives of Aviation parastatals and other stakeholders to maintain and refurbish critical facilities and equipment at the airports.
- (2) While the improvement in the building infrastructure in some of our airports is appreciated, NAMA and FAAN should place more emphasis in the provision of the state of the art flight equipment's that will enhance safety and assist the pilots to do their jobs professionally and confidently without endangering their lives and those of their passengers. This will guide against a situation where planes cannot take off and land because of poor visibility as a result of fog.
- (3) Because of the delicate nature of Aviation Industry only qualified and properly trained people should be employed.
- (4) The Chief Executives of Aviation parastatals and Nigerian College of Aviation Technology should put in place a programme to replace the ageing pilots in aviation industry taking into cognizance young pilots on ground that needed a particular flying hours before they can be employed. A good example of this is of course the one hundred young men and women we trained in Kano in recent years.

1431

- (5) The Aviation Section in the Federal Ministry of Transport should not interfere in the day to day running of the specialized units in the Aviation Industry. The Federal Ministry of Transport should know that the aviation parastatals are allergic to bureaucracy for effective and efficient delivery.
- (6) The Federal Airports Authority of Nigeria (FAAN) should be directed to rehabilitate and complete all abandoned structures, and pull down those that have lost their value at our airports.
- (7) The Aviation Section in the Federal Ministry of Transport should collaborate with the Petroleum Products Pricing Regulatory Agency and look at the root cause of high cost of aviation fuel in Nigeria and proffer solutions to make it available and competitive.
- (8) The abandoned Calibration Aircraft in the custody of Nigerian Civil Aviation Authority (NCAA) should be resuscitated to be used for the purpose it is meant for and by so doing save some money for Nigeria.
- (9) The Federal Government of Nigeria should develop a financial programme as a bail out that will suite the peculiar nature of Aviation Industry so that our existing airlines can grow.

The framework of this financial programme can take into consideration that:-

- (i) The tenors of the facilities for aviation industry can be extended.
 - (ii) A fund for new acquisition of new equipment can be put in place.
 - (iii) Government can also review the importation requirement for airlines to allow for flexibilities of importation and ease of payment for aircraft and aircraft parts.
 - (iv) The bailout will be directly attached to the purchase of the needed materials. No money should be given directly to the airline. The bank will supervise the payment and purchase to prevent previous attitude of diversion of funds.
- (10) The Federal Airports Authority of Nigerian (FAAN) and Nigerian Airspace Management Agency (NAMA) should equip our airports with infrastructure and equipment that can stand the test of time.

1432

- (11) International Airlines like Emirates, Etihad and Asky, e.t.c that had in the past been denied approval to fly some of our Airports like Kano, Enugu, and Port-Harcourt should be reconsidered.
- (12) Needed financial provision should be made for aviation Industry in 2016 Budget and leakages blocked in order to cater for more infrastructure especially a second runway at the Abuja Airport and other critical safety needs at our airports, and prioritise all those critical infrastructure projects to ensure that the benefit accrue to Nigerians passengers and revenue to government.
- (13) The Senate should mandate its committees on Aviation and Anti-Corruption to carry out Investigation on the disbursement and utilisation of \$40million AFRIXIM loan and ₦35.55 billion alleged to have been released by the Federal Government in 2011 for the rehabilitation and development of infrastructure in the Aviation Industry.
- (14) Amendments to the Acts that established NAMA and FAAN are imperative. The Senate Committee on Aviation should start work on this immediately in order to guide against confusion and overlapping and conflicting roles between the two parastatals.
- (15) There is urgent need for capacity building in the area of economy regulation by NCAA and Bilateral Air Services Agreement by the Aviation section in the Federal Ministry of Transport to empower their personnel in order to have more knowledge and capacities to block leakages and loss of revenue in the Aviation industry.

Conclusion:

The Committee thanks the Leadership of the Senate and entire members for giving it this wonderful opportunity to serve in this capacity.

I so move.

Senator Barau I. Jibrin (Kano North): Mr. President, let me first commend the Members of this Committee for a job well-done. They have allowed us to see what is happening in this sector and they have come up with ways to sanitise this sector which is very important to our economic well-being.

1433

The importance of this sector cannot be overemphasised. If we are talking about putting in place a sound economy in this country, it is a fact that it will not be possible without a robust, vibrant and effective aviation sector. This committee has only gone a very long way to bring about how we can achieve our objectives of having a very good aviation sector. Despite the fact that this is a very good job, we should find a way to make sure that the content of this recommendation is fully implemented to the letter. It should not be a case where a good job has been done but is going to be kept and not utilised. This is the major problem that we face in this country.

Of particular attention is the fact that several airlines have been wanting to use several airports in this country especially the Kano and Enugu Airports by Emirates but somewhere somehow, they have not been allowed to land in those airports. This is one of the areas that I feel we should look at and make sure that we implement this recommendation in respect to this issue.

Mr. President, please use your good office and the Senate should do well to make sure that this Report is implemented. What we need to do is to bring our Aviation Sector to be at par with the best in the whole world, and the recommendation in this Report if fully implemented. I am sure by the grace of God, we would be able to count ourselves as having one of the best aviation sector in the whole world.

The President: Distinguished Colleagues, we should go to the recommendations because we have about 15 recommendations so that we can take them one by one. I will take a few contributions and we go to recommendations and please let us make our comments very brief.

Senator Shehu Sani (Kaduna Central): Mr. President, the Report, as presented by Senator Rabiu Musa Kwankwaso, is a careful documentation of the state of the Aviation Industry in Nigeria today. We cannot forget the memories of victims of Sosoliso, Dana, Bell-View and other airlines, and the recommendations clearly address all segments of the aviation industry from work ethics, to regulations and to also the behaviour of airlines themselves.

This Report if fully implemented by the government, not just taking to dust, would save lives and it is about life when we talk about aviation industry. In general sense, the aviation industry, for a very long time, has been described by the previous Minister who said our planes are flying coffins and I think we are not very far from that. The most important thing, apart from all that we want to say here, is to implement the Reports because from 1999 to date, there have been Reports upon Reports about the state of aviation industry in Nigeria today.

1434

So any difference that can be made from this is to urge the Federal Government to implement this Report that would save lives.

Senator Albert Bassey (Akwa-Ibom North East): Mr. President, let me add my voice in appreciating the Chairman and Members of this Committee for a detailed work. I believe the exhaustive observations and recommendations justify the fact that they have done a very good job.

I can recall vividly that it was a Report by aviation experts that Nigeria has the worst Airports which brought about the Motion that was raised on this floor that gave rise to the setting up of this Ad-hoc Committee. I know very well that if there is any sector of our economy that has access to numerous intervention funds, it is the aviation sector. So what we must do is instead of continuous funding of this sector without appropriate and effective oversight, we must as a Senate set up a Committee to investigate what have been the value and the quantum of money that has been invested in this sector as bailout or intervention funds. We know that this sector has enjoyed tremendous government support in the past. I have no doubt in my mind that if through an effective and efficient oversight we can restore hope, we can restore confidence and trust of Nigerians and the world over on the Nigerian Aviation Sector.

I want to commend this Committee and support these recommendations in entirety and I want to urge my Colleagues that urgent steps must be taken to arrest the deplorable state of the Nigerian Aviation Sector.

The President: Distinguished Colleagues, I do appreciate all your contributions. I would like us to now go to recommendations.

- (1) *A new attitudinal change and good leadership spirit should be inculcated by the Chief Executives of Aviation parastatals and other stakeholders to maintain and refurbish critical facilities and equipment at the airports –*

Question put and agreed to.

- (2) *While the improvement in the building infrastructure in some of our airports is appreciated, NAMA and FAAN should place more emphasis in the provision of the state of the art flight equipment's that will enhance safety and assist the pilots to do their jobs professionally and confidently without endangering their lives and those of their passengers. This will guide against a situation where planes cannot take off and land because of poor visibility as a result of fog –*

1435

Question put and agreed to.

- (3) *Because of the delicate nature of Aviation Industry only qualified and properly trained people should be employed.*

Question put and agreed to.

- (4) *The Chief Executives of Aviation parastatals and Nigerian College of Aviation Technology should put in place a programme to replace the ageing pilots in aviation industry taking into cognizance young pilots on ground that needed a particular flying hours before they can be employed. A good example of this is of course the one hundred young men and women we trained in Kano in recent years –*

Amendment proposed.

Senator Bala Ibn Na'allah: Mr. President I have an amendment to Recommendation (4).

The President: What is your amendment Senator Bala?

Senator Bala Ibn Na'allah: Mr. President, it appears there was an omission on this recommendation. We discovered that over 2,000 pilots now are unemployed for the simple reason that they are unable to bill flying hours in Nigeria and most of it is attributed to the fact that the agency called National Air Space Management Agency is charging navigational charges on piston and training aircraft which is not done anywhere in the world.

Therefore, I would wish to add that the Chief Executives of Aviation Parastatals and Nigerian College of Aviation Technology should put in place a programme to replace the ageing pilots in aviation industry taking into cognizance young pilots on ground that needed a particular flying hours before they can be employed and NAMA should be directed to henceforth stop the collection of the navigational charges on all training and piston aircrafts in Nigeria.

Senator Francis Asekhome Alimikhena (Edo North): I second the amendment as ably moved by Senator Bala Ibn Na'allah.

The President: Now recommendation (4) reads as follows:

1436

- (4) *The Chief Executives of Aviation parastatals and Nigerian College of Aviation Technology should put in place a programme to replace the ageing pilots in aviation industry taking into cognizance young pilots on ground that needed a particular flying hours before they can be employed and NAMA be directed to henceforth stop collection of navigation charges on all training flights –*

Amendment put and agreed to

- (5) *The Aviation Section in the Federal Ministry of Transport should not interfere in the day to day running of the specialised units in the Aviation Industry. The Federal Ministry of Transport should know that the aviation parastatals are allergic to bureaucracy for effective and efficient delivery –*

Question put and agreed to

- (6) *The Federal Airports Authority of Nigeria (FAAN) should be directed to rehabilitate and complete all abandoned structures, and pull down those that have lost their value at our airports –*

Question put and agreed to

- (7) *The Aviation Section in the Federal Ministry of Transport should collaborate with the Petroleum Products Pricing Regulatory Agency and look at the root cause of high cost of aviation fuel in Nigeria and proffer solutions to make it available and competitive –*

Question put and agreed to

- (8) *The abandoned Calibration Aircraft in the custody of Nigerian Civil Aviation Authority (NCAA) should be resuscitated to be used for the purpose it is meant for and by so doing save some money for Nigeria –*

Question put and agreed to

- (9) *The Federal Government of Nigeria should develop a financial programme as a bail out that will suite the peculiar nature of Aviation Industry so that our existing airlines can grow. The framework of this financial programme can take into consideration that:-*

1437

- (i) *The tenors of the facilities for aviation industry can be extended.*
- (ii) *A fund for new acquisition of new equipment can be put in place.*
- (iii) *Government can also review the importation requirement for airlines to allow for flexibilities of importation and ease of payment for aircraft and aircraft parts.*
- (iv) *The bailout will be directly attached to the purchase of the needed materials. No money should be given directly to the airline. The bank will supervise the payment and purchase to prevent previous attitude of diversion of funds.*

Question put and agreed to

- (10) *The Federal Airports Authority of Nigerian (FAAN) and Nigerian Airspace Management Agency (NAMA) should equip our airports with infrastructure and equipment's that can stand the test of time –*

Question put and agreed to

- (11) *International Airlines like Emirates, Etihad and Asky, e.t.c that had in the past been denied approval to fly some of our Airports like Kano, Enugu, and Port-Harcourt should be reconsidered –*

Question put and agreed to

- (12) *Needed financial provision should be made for aviation Industry in 2016 Budget and leakages blocked in order to cater for more infrastructure especially a second runway at the Abuja Airport and other critical safety needs at our airports, and prioritise all those critical infrastructure projects to ensure that the benefit accrue to Nigerians passengers and revenue to government –*

Question put and agreed to

- (13) *The Senate should mandate its committees on Aviation and Anti-Corruption to carry out Investigation on the disbursement and utilisation of \$40million AFRIXIM loan and ₦35.55 billion alleged to have been released by the Federal Government in 2011 for the rehabilitation and development of infrastructure in the Aviation Industry –*

Question put and agreed to

1438

- (14) *Amendments to the Acts that established NAMA and FAAN is imperative. The Senate Committee on Aviation should start work on this immediately in order to guide against confusion and overlapping and conflicting roles between the two parastatals –*

Question put and agreed to.

- (15) *There is urgent need for capacity building in the area of economy regulation by NCAA and Bilateral Air Services Agreement by the Aviation section in the Federal Ministry of Transport to empower their personnel in order to have more knowledge and capacities to block leakages and loss of revenue in the Aviation industry –*

Question put and agreed to.

Resolved: That

- (1) *A new attitudinal change and good leadership spirit should be inculcated by the Chief Executives of Aviation parastatals and other stakeholders to maintain and refurbish critical facilities and equipment at the airports.*
- (2) *While the improvement in the building infrastructure in some of our airports is appreciated, NAMA and FAAN should place more emphasis in the provision of the state of the art flight equipment's that will enhance safety and assist the pilots to do their jobs professionally and confidently without endangering their lives and those of their passengers. This will guide against a situation where planes cannot take off and land because of poor visibility as a result of fog.*
- (3) *Because of the delicate nature of Aviation Industry only qualified and properly trained people should be employed.*
- (4) *The Chief Executives of Aviation parastatals and Nigerian College of Aviation Technology should put in place a programme to replace the ageing pilots in aviation industry taking into cognizance young pilots on ground that needed a particular flying hours before they can be employed and NAMA be directed to henceforth stop collection of navigation charges on all training flights.*

1439

- (5) The Aviation Section in the Federal Ministry of Transport should not interfere in the day to day running of the specialised units in the Aviation Industry. The Federal Ministry of Transport should know that the aviation parastatals are allergic to bureaucracy for effective and efficient delivery.
- (6) The Federal Airports Authority of Nigeria (FAAN) should be directed to rehabilitate and complete all abandoned structures, and pull down those that have lost their value at our airports.
- (7) The Aviation Section in the Federal Ministry of Transport should collaborate with the Petroleum Products Pricing Regulatory Agency and look at the root cause of high cost of aviation fuel in Nigeria and proffer solutions to make it available and competitive.
- (8) The abandoned Calibration Aircraft in the custody of Nigerian Civil Aviation Authority (NCAA) should be resuscitated to be used for the purpose it is meant for and by so doing save some money for Nigeria.
- (9) The Federal Government of Nigeria should develop a financial programme as a bail out that will suite the peculiar nature of Aviation Industry so that our existing airlines can grow. The framework of this financial programme can take into consideration that:
 - (i) The tenors of the facilities for aviation industry can be extended.
 - (ii) A fund for new acquisition of new equipment can be put in place.
 - (iii) Government can also review the importation requirement for airlines to allow for flexibilities of importation and ease of payment for aircraft and aircraft parts.
 - iv) The bailout will be directly attached to the purchase of the needed materials. No money should be given directly to the airline. The bank will supervise the payment and purchase to prevent previous attitude of diversion of funds.

1440

- (10) The Federal Airports Authority of Nigerian (FAAN) and Nigerian Airspace Management Agency (NAMA) should equip our airports with infrastructure and equipment's that can stand the test of time.
- (11) International Airlines like Emirates, Etihad and Asky, etc. that had in the past been denied approval to fly some of our Airports like Kano, Enugu, and Port-Harcourt should be reconsidered.
- (12) Needed financial provision should be made for aviation Industry in 2016 Budget and leakages blocked in order to cater for more infrastructure especially a second runway at the Abuja Airport and other critical safety needs at our airports, and prioritise all those critical infrastructure projects to ensure that the benefit accrue to Nigerians passengers and revenue to government.
- (13) The Senate should mandate its committees on Aviation and Anti-Corruption to carry out Investigation on the disbursement and utilisation of \$40million AFRIXIM loan and ₦35.55 billion alleged to have been released by the Federal Government in 2011 for the rehabilitation and development of infrastructure in the Aviation Industry.
- (14) Amendments to the Acts that established NAMA and FAAN are imperative. The Senate Committee on Aviation should start work on this immediately in order to guide against confusion and overlapping and conflicting roles between the two parastatals.
- (15) There is urgent need for capacity building in the area of economy regulation by NCAA and Bilateral Air Services Agreement by the Aviation section in the Federal Ministry of Transport to empower their personnel in order to have more knowledge and capacities to block leakages and loss of revenue in the Aviation industry.

The President: Distinguished Colleagues, I want to join others to thank the Chairman and members of the Senate Ad-Hoc Committee on Aviation for work well done. The most important thing for us is to see that these recommendations are truly implemented and no other Committee has that responsibility than the Senate Committee on Aviation. When we do that, the Nigerian Airlines and some of the things that we put forward would develop and we would have better safety of our airlines. Also, the next legislation that is required to keep us safe would be addressed.

1441

Therefore, I hope that our Senate Committee on Aviation will take off from where the Ad-Hoc committee has stopped. Once again, I thank all the members of the Ad Hoc Committee for a work well done.

Suspension of the Petition from Maritime Professionals Against the Ministry of Transport

Senator Bala Ibn Na'allah: Mr. President, I move that we stand down the fourth Order of the Day till the next Legislative Day.

Senator Godswill Obot Akpabio: I second the Motion ably moved by the Leader.

Question put and agreed to.

(Report on Petition against the Ministry of Transport stood down to the next Legislative Day.)

1442

ADJOURNMENT

Senator Bala Ibn Na'allah: Mr. President, having concluded today's proceedings on the order paper, I hereby move that the Senate do adjourn till Thursday, 14th January, 2016 at 10:00 a.m. prompt.

Senator Godswill Obot Akpabio: Mr. President, I rise to second the Motion as moved by the Senate Leader.

The President: Distinguished Colleagues, before I put the question, let me just remind ourselves that at 2:00 p.m. in Senate Conference Room 022, Senate Building, there will be the Inauguration of the Senate Committee on Constitution Review of the 1999 Constitution. You are all invited to attend.

Question put and agreed to.

Resolved: That the Senate do stand adjourned till Thursday, 14th January, 2016 at 10:00 a.m. prompt.

The Senate adjourned accordingly at 1:25 p.m.